

Kevane mailbag

September 29, 2016 – Issue 66

Kevane Grant Thornton LLP
33 Calle Bolivia Ste 400
San Juan, Puerto Rico 00917-2013
T + 1 787 754 1915 F + 1 787 751 1284
www.kevane.com

Our Kevane mailbag is your link to all our communications related to the operations of businesses in Puerto Rico. Our purpose is to offer you up-to-date information concerning tax, accounting and any other matters that might have an impact on the way you conduct business in Puerto Rico.

The Alerts contained in our mailbags can also be accessed through our website under the Publications tab\Professional Articles section or by downloading our business and tax application for mobile, tablets and iPad for free through the App Store and Google Play. We welcome your feedback at kgt@pr.gt.com

Navigate with us...experience the difference!

Audit

The FASB Board discusses the new standard affecting the public business and all other entities cash flow statements.

 [Read more](#)

Tax

New developments under Puerto Rico Tourism Development Act have been signed by the Governor.

 [Read more](#)

Advisory

A successful third-party program can protect your company from the risks of conducting business through the use of third parties.

 [Read more](#)

Outsourcing

Every insured employer must meet on time the Workmen's Compensation Premium. Failure may result in coverage suspension.

 [Read more](#)

General Information

Save the date! Conference – Tax and fiscal environment in Puerto Rico today. October 13, 2016 from 8am to 4:30pm. More details will follow.

Follow us



Download our mobile App from



Audit Alert: Board issues new standard affecting the cash flows statement

The Board recently issued ASU 2016 - 15, [Classification of Certain Cash Receipts and Cash Payments a consensus of the EITF](#), which is intended to reduce areas where diversity in practice exists with respect to classifying cash receipts and payments within the statement of cash flows.

The key provisions of ASU 2016 -15 are summarized below:

- cash payments for debt prepayment or extinguishment costs are classified as cash outflows from financing activities.
- the cash payment at maturity of a zero - coupon bond is split into two components: (1) The portion attributable to interest is classified as a cash outflow from operating activities, and (2) the portion attributable to principal is classified as a cash outflow from financing activities.
- the cash payment to settle a contingent consideration liability arising from a business combination is split into two components: (1) The portion up to the acquisition -date fair value of the liability, including measurement - period adjustments, is classified as a cash outflow from financing activities, and (2) any amount paid in excess of the liability's acquisition - date fair value is classified as a cash outflow from operating activities.
- proceeds from an insurance settlement are classified in the statement of cash flows based on the nature of the loss.

- cash proceeds and payments from the settlement of corporate owned life insurance (COLI) policies are classified as cash inflows/outflow from investing activities or as a combination of investing and operating activities of the payments made.
- the amendments in the new guidance do not address equity method investments that are measured using the fair value option. For other equity method investments, entities should determine if distributions received from equity method investees are either a return on investment and classified as cash inflows from operating activities, or a return of investment and classified as cash inflows from investing activities. Please refer to the recently issued ASU 2016-15 referred above for details.

The new guidance is effective for public business entities for fiscal years, and interim periods within those years, beginning after December 15, 2017. *For all other entities, the new guidance is effective for fiscal years beginning after December 15, 2018 and for interim periods within fiscal years beginning after December 15, 2019. Early adoption is permitted, as long as all amendments are adopted in the same period.*

Source: Grant Thornton, *On the Horizon*, September 1, 2016

Please contact us should further assistance in relation to this or any other matter is required.



Contact us
For assistance in this matter, please contact us via luiscarlos.marcano@pr.gt.com



Adding true value means exceeding our clients' expectations, anticipating their needs and being proactive and innovative in the accounting profession.

Through the Kevane Grant Thornton business and tax application for mobile devices you will have access to our Alerts, Tax News and other related matters, plus a customized tax calendar for individuals, businesses and other entities, thus providing an excellent tool to manage filing and payment due dates with government agencies in Puerto Rico.

Download for free the application. Available for iPhone, Motorola and all tablets.



Follow us on  and 

September 16, 2016

DISCLAIMER: This update and its content do not constitute advice. Clients should not act solely on the basis of the material contained in this publication. It is intended for information purposes only and should not be regarded as specific advice. In addition, advice from proper consultant should be obtained prior to taking action on any issue dealt with this update.

© 2016 Kevane Grant Thornton LLP All rights reserved. Kevane Grant Thornton LLP is a member firm of Grant Thornton International Ltd (GTIL). GTIL and the member firms are not a worldwide partnership. Services are delivered by the member firms. GTIL and its member firms are not agents of, and do not obligate, one another and are not liable for one another's acts or omissions. Please visit www.kevane.com for further details.

Tax Alert: New developments on Puerto Rico's tourism industry

Mindful of the importance of tourism activity to Puerto Rico's economic progress and the need to diversify the industry's offerings through the promotion of new products, the development of *niche markets* and the liberalization of requirements for the procurement of tax benefits under the 2010 Puerto Rico Tourism Development Act, the Governor of Puerto Rico signed Acts No. 136 ("Act 136-2016") and No. 137 ("Act 137-2016") on August 5 and 6, 2016, respectively.

Act 136-2016 aims to, among other things, extend tax benefits conferred under the 2010 Puerto Rico Tourism Development Act ("Act 74-2010" or "TDA") to inns and bed & breakfast that have complied with the Puerto Rico Tourism Company ("PRTC") guidelines for ecotourism and sustainable tourism guidelines, and have been certified as such.

For its part, Act 137-2016 amends and/or clarifies various definitions within Section 2 of the TDA. Moreover, it amends Section 5 to enhance the definition of "total project costs", and create an alternate Tourism Investment Tax Credit, among other changes.

Puerto Rico Tourism Development Act of 2010 (Act No. 74 of 2010)

Act 74-2010 provides a series of tax incentives and credits to foster investment and economic growth in Puerto Rico's tourism industry and related infrastructure.

To avail itself of its benefits, the business must be devoted to an eligible tourism activity (as such term is defined in Section 2(a) of Act 74-2010). Furthermore, the business must NOT

be covered by a Concession under the 1983 Tourism Incentives Act or the 1993 Tourism Development Act. If the business is deemed an eligible tourism activity, it may become an Exempt Business under the Act by applying for a tax exemption decree before the PRTC and the Puerto Rico Treasury Department.

Amendments under Act 136-2016

New Eligible Activities.

Consistent with its public policy of creating innovative tourism products, the PRTC developed the "Posadas de Puerto Rico" and "Bed & Breakfast". While the former is geared towards highlighting the history and legacy of the urban centers of Puerto Rico, the latter caters to tourists who would prefer a more intimate experience by allowing them to stay at the residence of local family.

Act 136-2016 amends Section 2(a)-1 of Act 74-2010 in order to include the ownership and/or administration of the *Posadas de Puerto Rico* and *Bed and Breakfast* programs as eligible tourism activities. As such, these activities will now be subject to a 7% room occupancy tax under Act 272 No. of 2003.

Definition of "Existing Business".

Section 2(dd) of Act 74-2010 defines an *existent business* as one engaged in a tourism activity at the time of properly filing an application for a tax exemption decree under Act 74-2010 or which otherwise does not qualify as a *new business* under Act 74-2010, and which undertakes a substantial extension or renovation of the existing physical facilities to be used in the tourist activity.

DISCLAIMER: This update and its content do not constitute advice. Clients should not act solely on the basis of the material contained in this publication. It is intended for information purposes only and should not be regarded as specific advice. In addition, advice from proper consultant should be obtained prior to taking action on any issue dealt with this update.

© 2016 Kevane Grant Thornton LLP All rights reserved.
Kevane Grant Thornton LLP is a member firm of Grant Thornton International Ltd (GTIL). GTIL and the member firms are not a worldwide partnership. Services are delivered by the member firms. GTIL and its member firms are not agents of, and do not obligate, one another and are not liable for one another's acts or omissions. Please visit www.kevane.com for further details.



Contact us

For assistance in this matter, please contact us via maria.rivera@pr.gt.com, francisco.luis@pr.gt.com, lina.morales@pr.gt.com or isabel.hernandez@pr.gt.com



Adding true value means exceeding our clients' expectations, anticipating their needs and being proactive and innovative in the accounting profession.

Through the **Kevane Grant Thornton business and tax application for mobile devices** you will have access to our Alerts, Tax News and other related matters, plus a customized tax calendar for individuals, businesses and other entities, thus providing an excellent tool to manage filing and payment due dates with government agencies in Puerto Rico.

Download for free the application. Available for iPhone, Motorola and all tablets.



Follow us on  and 

September 21, 2016

Act 136-2016 opens a 12-month window for existing *small* or *medium guest houses*, who are not covered by a tax exemption decree, to apply for the preferential tax treatment under Act 74-2010 without having to carry out a substantial extension or renovation of the existing physical facilities, subject to the PRTD Executive Director's discretion and approval.

To be considered a *small* or *medium guest house*, a business must be a tourism activity that has become an eligible business after the issuance of a tax exemption decree, belongs to either the *Posadas de Puerto Rico* or *Bed and Breakfast* program and, depending on the number of rooms, complies with the definitions found on Act 74-2010 for a guesthouse [Sec. 2(d)] or a hotel [Sec. 2(s)].

Tourism Investment Tax Credits. Pursuant to Section 5 of Act 74-2010, any person who acquires an equity interest in a corporation or a partnership that develops an exempt tourism business, or who invests in a condohotel, will be entitled to a **Tourism Investment Tax Credit ("TITC")** equal to 50% of the cash paid for such equity investment. Nonetheless, the total amount of the TITC which may be taken by all investors cannot exceed 10% of the total cost of the tourist project.

Act 136-2016 effectively amends Section 5(c)(1) of the TDA to establish a separate tax credit threshold for inns that have been certified by PRTC as ecotourism or sustainable tourism locations. Namely, the maximum TITC allowed for these entities will be the lower amount between 20% (instead of 10%) of the Total Project Cost and 60% (instead of 50%) of the cash contributed by investors (i.e. "Eligible Investment").

Sales and Use Tax ("SUT") Exemption.

According to Section 3(a)(4) of Act 74-2010, exempt businesses enjoy up to 100% exemption from the payment of the taxes imposed under Subtitle B and BB of the 1994

Puerto Rico Internal Revenue Code ("1994 Code") with respect to those items acquired and used by the exempt business in connection with its exempt tourism activity.

Act 136-2016 clarifies the application of the exemption to the SUT imposed by the 2011 Internal Revenue Code for a New Puerto Rico ("2011 Code") under Subtitles C, D, DD and DDD, and eliminates a particular reference to the application of the SUT exemption in the case of time-shares and vacation clubs.

Also, fuel products used by the exempted business in the generation of electricity or thermic energy for its tourism activity will be fully exempted from taxes imposed under Sections 3020.07 and 3020.07(A) of the 2011 Code. This exemption will last for a period of ten (10) years.

Amendments under Act 137-2016

As note before, Act 137-2016, also known as the *TOURISM INDUSTRY SUPPORT ACT*, seeks to facilitate the development and growth of PR's tourism industry by expanding some of Act 74-2010 benefits for particular instances. It also intends to be a new employment-generating force through the creation of the Tourism Industry Investment and Recovery Program.

Under this new legislation, Section 2 of Act 74-2010 is amended to, among other things, allow costs incurred on mixed-use development projects as part of the Total Project Cost, so long as no less than 70% of the total project area is destined to tourism, excluding common elements.

Act 137-2016 also amends Section 5 of the TDA to introduce the **Alternate Tourism Investment Tax Credit ("ATITC")**, which will be equal to:

- **Section 5(b)(1) Option** - 40% of the Eligible Investment made after the enactment of Act 137-2016. This credit

DISCLAIMER: This update and its content do not constitute advice. Clients should not act solely on the basis of the material contained in this publication. It is intended for information purposes only and should not be regarded as specific advice. In addition, advice from proper consultant should be obtained prior to taking action on any issue dealt with this update.

© 2016 Kevane Grant Thornton LLP All rights reserved.
Kevane Grant Thornton LLP is a member firm of Grant Thornton International Ltd (GTIL). GTIL and the member firms are not a worldwide partnership. Services are delivered by the member firms. GTIL and its member firms are not agents of, and do not obligate, one another and are not liable for one another's acts or omissions. Please visit www.kevane.com for further details.

can be taken in three (3) equal installments, commencing on the Exempt Business' second year of operations.

OR

- **Section 5(b)(2) Option** – 30% of the Eligible Investment made after the enactment of Act 137-2016. In this case, the Exempt Business can take 10% of said Eligible Investment as a credit on the year that it secured the financing for the construction of the tourism project, with remaining balance being taken in three (3) equal installments:
 - 1/3 when the Exempt Business receives its first paying guest; and
 - The remaining 2/3 on subsequent years, in equal 1/3 portions.

The total amount of ATTTC's available to the Exempt Business under Sections 5(b)(1) and (2) will be limited to the 40% and 30%, respectively, of the Total Project Cost, as such term is defined in Sec. 2(j) of the TDA.

As with regular TTTC's, ATTTC's can be used against the Investor's or Exempt Business' own tax liability, and/or be transferred to a third party pursuant to the provisions of the TDA. Nonetheless, in the case of ATTTC's, its transfer or sale is subject to the following limitations:

- ATTTC's under Section 5(b)(1) – once the construction and development of the tourism activity is completed and the PRTC's Executive Director certifies the final and total credit amount;
- ATTTC under Section 5(b)(2) – once the Exempt Business certifies to the PRTC that it has secured the financing for the complete construction of the tourism project, an initial 10% of the Eligible Investment will be made available. The

remaining balance will be available once the project is finalized and the PRTC's Executive Director issues a certification to that end.

Also, proceeds from the sale of ATTTC's must be used in particular order:

1. Repayment of loans provided by any financial institution or government entity, including, without limitation, the Puerto Rico Tourism Company, its subsidiary, the Hotel Development Corporation, and the Economic Development Bank of Puerto Rico;
2. Repayment of any other loans granted to the Exempt Business to defray the Total Project Cost.

Acts 136 and 137 represent the first major amendments to the original text of Act 74-2010. By including new types of tourism accommodations as Eligible Businesses and creating new avenues for the procurement of tax credits, the PRTC is striving to keep up with changing times and exploit new markets for the well-being of the Puerto Rico economy.

Please contact our Tax Department should you require additional information regarding this or any other tax issue. We will be glad to assist you.

DISCLAIMER: This update and its content do not constitute advice. Clients should not act solely on the basis of the material contained in this publication. It is intended for information purposes only and should not be regarded as specific advice. In addition, advice from proper consultant should be obtained prior to taking action on any issue dealt with this update.

© 2016 Kevane Grant Thornton LLP All rights reserved.
Kevane Grant Thornton LLP is a member firm of Grant Thornton International Ltd (GTIL). GTIL and the member firms are not a worldwide partnership. Services are delivered by the member firms. GTIL and its member firms are not agents of, and do not obligate, one another and are not liable for one another's acts or omissions. Please visit www.kevane.com for further details.

Advisory Alert: Unforeseen benefits of a third-party program

How many third parties has your company engaged? Where are they located? What are they doing on your behalf?

The importance of a third-party program

If you are like many businesses striving to succeed in today's global marketplace, you use a combination of employees and support from third parties. But oftentimes, third parties acting on your behalf are involved in improper or unlawful conduct, such as bribery or data breaches. These actions can lead to large fines, imprisonment and damaged reputations — for your business, not just the third party.



To reduce these risks, companies should implement a third-party program to understand the third party's controls, policies and procedures, as well as verify that the representative has a positive reputation in the market. This program should include the following points of review to assess the risks associated with the relationship:

- review of publicly available sources for any derogatory media associated with the third party
- identification of owners/principals
- business justification of the third party being engaged
- typical services provided by the third party
- verification of licensees, clearance, and/or permits
- an understanding of access to sensitive data and corresponding data security policies

A significant benefit of a well-established third-party program is a standard onboarding and renewal process — before a contract is signed — across the globe and across all functions. From there, you can develop process efficiencies to identify dedicated teams to review a specific risk or specific relationship and proactively address any risks and/or red flags.



Contact us

For assistance in this matter, please contact us via ojel.rodriguez@pr.gt.com



Adding true value means exceeding our clients' expectations, anticipating their needs and being proactive and innovative in the accounting profession.

Through the **Kevane Grant Thornton business and tax application for mobile devices** you will have access to our Alerts, Tax News and other related matters, plus a customized tax calendar for individuals, businesses and other entities, thus providing an excellent tool to manage filing and payment due dates with government agencies in Puerto Rico.

Download for free the application. Available for iPhone, Motorola and all tablets.



Follow us on  and 

September 19, 2016

DISCLAIMER: This update and its content do not constitute advice. Clients should not act solely on the basis of the material contained in this publication. It is intended for information purposes only and should not be regarded as specific advice. In addition, advice from proper consultant should be obtained prior to taking action on any issue dealt with this update.

© 2016 Kevane Grant Thornton LLP All rights reserved.
Kevane Grant Thornton LLP is a member firm of Grant Thornton International Ltd (GTIL). GTIL and the member firms are not a worldwide partnership. Services are delivered by the member firms. GTIL and its member firms are not agents of, and do not obligate, one another and are not liable for one another's acts or omissions. Please visit www.kevane.com for further details.

There are also unforeseen benefits that can be realized from establishing a third-party program across all functions of an organization. Often the establishment and management of these programs are driven by compliance; however, viewing your third-party population through an analytical lens can benefit the organization as a whole. In addition to helping set up a legally defensible position to continue the fight against fraud, bribery and corruption, a robust third-party program will also help to identify areas for process efficiencies and increased revenue.

Ask the right questions

During the onboarding/renewing stage of a third-party life cycle, you're collecting a large amount of data to address the risks of a particular vendor or customer. With little modification to the program, intake forms and questionnaires can include additional data points to provide further visibility into each relationship. These data points can include:

- discounts
- commissions
- annual sales
- data security practices and policies
- key contract terms (e.g., start date, end date)
- supported product and service lines
- territories served

This additional data provides a risk and business perspective to the various stakeholders as they decide to engage a third party or renew a third-party relationship. A comprehensive view can prompt questions,

such as whether it makes sense to add another distributor in an already saturated region. Collecting these additional data points not only answers compliance questions, but also provides valuable insight into the revenue-generating side of the business.

Apply analytics

By asking the right questions upfront, you'll collect data for rich, robust reporting that can be used for various purposes throughout the business. Establishing a central repository of third-party relationships allows for a one-stop shop for reporting and analytics. You can then develop standard reports to provide the number and classifications of third parties in a given country and region. You can create relevant reports for various stakeholders, both within compliance and the business.

- **Increase revenue:** Third-party data can be used to provide visibility and insight into discounts and commissions across the entire third-party population. For example, after implementing a third-party program, a large manufacturing company developed a report showing all distributors who purchase branded products and resell those products in the market. A second report was generated to show all distributors receiving a discount greater than 25% in a given region. By applying additional data points collected as part of the process, this report also included the specific product lines being sold. Taking it a step further, the company examined all other distributors in that region reselling similar product lines. They found that there was one distributor in that region that receives less than the 25% discount and had similar market coverage. As such, the company

DISCLAIMER: This update and its content do not constitute advice. Clients should not act solely on the basis of the material contained in this publication. It is intended for information purposes only and should not be regarded as specific advice. In addition, advice from proper consultant should be obtained prior to taking action on any issue dealt with this update.

© 2016 Kevane Grant Thornton LLP All rights reserved.
Kevane Grant Thornton is a member firm of Grant Thornton International Ltd (Grant Thornton International). Grant Thornton International and the member firms are not a worldwide partnership. Services are delivered by the member firms independently.

decided to funnel more products through the distributor who receives a lesser discount, thereby increasing profit. This visibility would not have been possible without the third-party data.

- **Vendor/customer rationalization:**

Visibility into the number and types of service providers may also lend itself to cost savings and other operations synergies. By analyzing the third-party data collected, a company identified that over 250 intellectual property firms were being used across the organization to protect their trademarks and patents. This large population of firms created an administrative burden for the team due to multiple engagement letters and keeping track of which firm represented which country and/or trademark. Using the data collected from the third-party program, the company successfully consolidated this population to a more manageable number and realized better rates for services, achieved operational efficiencies, and gained comfort in knowing that those vendors had been thoroughly vetted.

- **Improve vendor performance**

management and sourcing: A key risk management practice includes an understanding of the services your organization requires, as well as an up-to-date mapping of the third parties that perform those services. This includes the agreed-upon service level agreements, especially for these services deemed critical to your organization. A strong third-party program includes a review of the risks of engaging these external parties, and should also include the ability to monitor

performance and quality. Having a comprehensive view of your third parties, the costs incurred and the quality achieved greatly improves an organization's ability to negotiate more favorable rates, especially for your most critical suppliers.

- **Visibility:** Dashboards and at-a-glance reporting provide insight for stakeholders from the business and compliance perspectives. Using the data collected from a third-party program can create some unique visibility into the population of third parties. Examples include:

- Market penetration reports, which outline the number and types of distributors/resellers (along with product lines being represented) in a given territory
- Contract-expiration summaries, which summarize the number and type of upcoming contracts requiring renewal
- Discount and commission summaries, which provide visibility into the customers/sales agents and their associated discounts and commissions
- High-risk relationship summaries, which outline high-risk relationships across the organization, helping to guide investigation, audit and other compliance-related teams

- **Fight fraud and corruption:** Data from a third-party program can also help unveil fraud, conflicts of interest and other corrupt activities. For example, clients can

DISCLAIMER: This update and its content do not constitute advice. Clients should not act solely on the basis of the material contained in this publication. It is intended for information purposes only and should not be regarded as specific advice. In addition, advice from proper consultant should be obtained prior to taking action on any issue dealt with this update.

© 2016 Kevane Grant Thornton LLP All rights reserved.

Kevane Grant Thornton is a member firm of Grant Thornton International Ltd (Grant Thornton International). Grant Thornton International and the member firms are not a worldwide partnership. Services are delivered by the member firms independently.

cross-reference HR files against the data from a third-party program (including phone numbers, addresses, owners/ key principals) to identify potential conflicts of interest or fraud. If you spot employees that have addresses or phone numbers matching that of a third party, you know something is not right.

- **Access to sensitive data:** Businesses in every industry depend upon information systems for nearly all aspects of their financial and operational functions. Organizations must comply with myriad industry standards while managing the security of their proprietary data, customer data and data transmitted to third parties, as well as the possibility of unknown breaches and leaks. Having visibility into which third parties have access to sensitive data and the types of data accessed by each vendor will aid in identifying, protecting, detecting and responding if a data breach is identified.
- **Improve audits:** Audit teams can also benefit from the data collected. Before an audit team is deployed to a certain country, third-party data can be extracted and analyzed to provide a roadmap for the audit team relating to high-risk customers and vendors, or those relationships that may have certain attributes. Many companies have reported seeing increases in efficiency as these reports help to guide efforts and maximize productivity while audit teams are on the ground conducting investigations.
- **Support renewal process:** Legal and contracting teams can have access to a

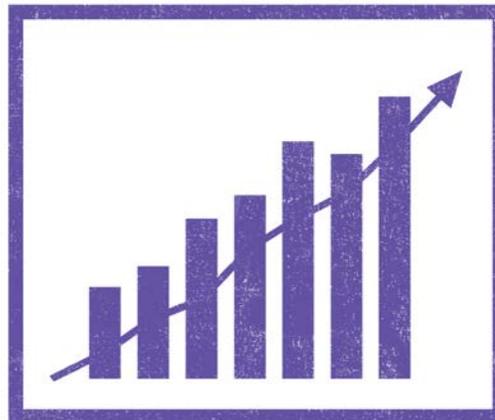
summary of contracts expiring in the upcoming months, helping to maximize efficiency and conduct business under the protection of contractual terms.

Additionally, centralizing this process will assist in ensuring that all relationships have a contract with the most up-to-date terms and that adequate safeguards are in place.

Make the data work for you

A successful third-party program can protect your company from the risks of conducting business through the use of third parties.

Although these programs are often driven by the compliance functions, the pertinent data collected is the foundation for more visibility; improved processes; and better decision-making across all functions within the organization to make better, informed decisions and help drive revenue growth.



Bibliography

Ruble, M. (2015, August 26). *Unforeseen benefits of a third-party program: Applying analytics to aid decision-making*. Retrieved from Grant

Thornton LLP:

<http://www.grantthornton.com/issues/librar>

DISCLAIMER: This update and its content do not constitute advice. Clients should not act solely on the basis of the material contained in this publication. It is intended for information purposes only and should not be regarded as specific advice. In addition, advice from proper consultant should be obtained prior to taking action on any issue dealt with this update.

© 2016 Kevane Grant Thornton LLP All rights reserved.

Kevane Grant Thornton is a member firm of Grant Thornton International Ltd (Grant Thornton International). Grant Thornton International and the member firms are not a worldwide partnership. Services are delivered by the member firms independently.

y/newsletters/advisory/2015/applying-analytics-to-decision-making.aspx

For more information, contact one of our experienced advisors. We will be glad to assist you.

DISCLAIMER: This update and its content do not constitute advice. Clients should not act solely on the basis of the material contained in this publication. It is intended for information purposes only and should not be regarded as specific advice. In addition, advice from proper consultant should be obtained prior to taking action on any issue dealt with this update.

© 2016 Kevane Grant Thornton LLP All rights reserved.
Kevane Grant Thornton is a member firm of Grant Thornton International Ltd (Grant Thornton International). Grant Thornton International and the member firms are not a worldwide partnership. Services are delivered by the member firms independently.

Outsourcing Alert: CFSE Final Statement Year 2015-2016 and Preliminary Premium 2016-2017

The Workmen's Compensation Insurance Fund (CFSE for its acronym in Spanish) has issued the Workers' Compensation Premium Notice for the Final Premium Statement of the fiscal year 2015-2016 and the Preliminary Premium 2016-2017.

Every insured employer must meet the payment requirements of any outstanding balance during the first or second semester of the Preliminary Premium 2016-2017. Failure to pay full amount of premiums within the specified terms, will result in the suspension of the insurance coverage. Employers may qualify for a 30-day extension of unpaid balance upon written request to the CFSE. Payments can be made in cash at the appropriate Regional Office or by mail, using personal check, money order or certified check. In addition, payments can be made by electronic transfer or through the interactive website using electronic checks.

Employers who have not received the Workers' Compensation Premium Notice should contact the appropriate CFSE Regional Office or can access their own CFSE interactive account, to prevent the suspension of the insurance coverage.

Links:

CFSE Website

<https://www.prsifc.com/Default.aspx?ReturnUrl=%2fCMS%2fDefault.aspx>

CFSE Online Account

<https://www.prsifc.com/Login.aspx>

CFSE Forms

https://www.prsifc.com/App_Content/Area_4_8.aspx

At Kevane Grant Thornton we provide our clients with personalized attention, valuable advice and recommendations, tailored solutions and direct access to technical experts to help clients resolve issues and identify opportunities.

Contact us if additional information is required. We will be glad to assist you.



Contact us

For assistance in this matter, please contact us via julio.villegas@pr.gt.com or carmen.rojas@pr.gt.com



Adding true value means exceeding our clients' expectations, anticipating their needs and being proactive and innovative in the accounting profession.

Through the **Kevane Grant Thornton business and tax application for mobile devices** you will have access to our Alerts, Tax News and other related matters, plus a customized tax calendar for individuals, businesses and other entities, thus providing an excellent tool to manage filing and payment due dates with government agencies in Puerto Rico.

Download for free the application. Available for iPhone, Motorola and all tablets.



Follow us on  and 

September 16, 2016

DISCLAIMER: This update and its content do not constitute advice. Clients should not act solely on the basis of the material contained in this publication. It is intended for information purposes only and should not be regarded as specific advice. In addition, advice from proper consultant should be obtained prior to taking action on any issue dealt with this update.

© 2016 Kevane Grant Thornton LLP All rights reserved.
Kevane Grant Thornton LLP is a member firm of Grant Thornton International Ltd (GTIL). GTIL and the member firms are not a worldwide partnership. Services are delivered by the member firms. GTIL and its member firms are not agents of, and do not obligate, one another and are not liable for one another's acts or omissions. Please visit www.kevane.com for further details.